



ASX Release

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360 Capital Group (ASX:TGP)
September 2021 Quarterly Update

25 October 2021

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360 Capital Group (ASX:TGP) is pleased to announce the attached September 2021 quarterly update which will be posted to Securityholders on or around Wednesday, 27 October 2021.

Authorised for release by Kimberley Child, Company Secretary.

More information on the Group can be found on the ASX's website at www.asx.com.au using the Group's ASX code "TGP", on the Group's website www.360capital.com.au, by calling the 360 Capital investor enquiry line on 1300 082 130 or by emailing investor.relations@360capital.com.au

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About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, investment and funds management group, focused on strategic and active investment management of alternative assets.

Led by a highly experienced team, the Group operates in Australian and global markets investing across real estate, private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.



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Address line 1

Address line 2

Address line 3

27 October 2021

Dear fellow investor,

Please find attached the distribution statement for the September 2021 quarter being 1.5 cents per security. Please note this year, the Group is forecasting to make dividends instead of distributions and it is forecast that these dividends are fully franked.

Dividend Guidance

As a result of the transactions outlined below, the Group reaffirms its earnings guidance of 6-7 cps and its dividend forecast of 6.0 cps for FY22, equating to 1.5 cps per quarter.

The first five months to the financial year have been a busy time for management, executing on our strategy to simplify our business and increase returns. Below is an update on our year to date activities:

FibreconX Divestment

The Group has signed a conditional agreement to sell its remaining 39.1% stake in FibreconX as well as 50% of the management rights to the 360 Capital FibreconX Trust for a total of \$26.7 million, equating to an IRR of approximately 177%.

Upon settlement, this sale will generate a pre-tax profit of approximately \$16.0 million (7.3 cps) in FY22.

The Group made an initial investment of \$10.0 million into FibreconX approximately 1 year ago and sold an initial 8% stake in FY21 for approximately \$2.0 million.

Settlement of the transaction is expected to occur in late October 2021 and is in line with the business plan set out in the recent Group results.

Sale of stake in Global Data Centre Group

As previously announced, the Group sold its co-investment of 33.2% in Global Data Centre Group (ASX:GDC) for \$42 million in September 2021. The Group currently remains the manager of GDC in joint venture with David Yuile.

Completion of sale of Digital Software Solutions

On the 23 September 2021 shareholders of Dealt Limited approved the acquisition of Digital Software Solutions Pty Limited (DSS) for \$4.0 million to be paid 50% in cash and 50% in shares. DSS owns the commercial real estate debt platform www.Dealt.com.au. The Group invested \$1.0 million into DSS and will receive a 1.8x multiple on its capital invested and remain a shareholder in Dealt Limited.



Hotel Capital Partners (HCP) Settles First Hotel

HCP (70% Group owned) has settled its first hotel acquisition for \$146 million on behalf of a US private equity mandate. The upper scale hotel comprises approximately 300 rooms and is located in the Sydney CBD. This acquisition is the first acquisition for a US private equity mandate secured by HCP. Under the mandate, the Group receives upfront acquisition fees, ongoing management fees and potential performance fees.

360 Capital Enhanced Income Fund (ASX: TCF) Capital Raising

TCF announced on 25 October 2021 that it is preparing to undertake a capital raising to raise up to \$20.52 million through a 1 for 1 entitlement offer. As part of the Group's credit strategy, the Group has also established the 360 Capital Private Credit Fund, an unlisted wholesale fund which is available for investors who seek to invest in unlisted credit opportunities. Funds from this capital raising have already been committed to further corporate loan opportunities. The Fund is forecasting to make monthly distributions at the equivalent distribution yield of 6% p.a.

For those wholesale investors seeking to participate in the 360 Capital Private Credit Fund, the Information Memorandum, Presentation and Online Application Form can be accessed from the below QR Code, on our website at www.360capital.com.au, emailing investor.relations@360capital.com.au or by phoning 1300 082 130.



Irongate Proposal

The Group has invested a total of \$64.8 million into Irongate Group (ASX:IAP). The Group as 360-Capital REIT (ASX:TOT) combined own 19.9% of IAP.

On 15th October 2021, The Group and TOT (together "360 Capital") and ESR Asset Management (Holdings) Limited ("ESR") provided a Non-Binding Indicative Offer ("Indicative Offer") to acquire all the securities 360 Capital do not already own of IAP via a Trust Scheme at a price of \$1.65 per stapled security, inclusive of the final distribution per security for the period ending 30 September 2021.

Should the Indicative Offer be implemented, it would provide TGP and TOT with a portfolio of direct real estate assets across Australia and New Zealand worth over \$1.0 billion.

Furthermore, TGP would benefit from upfront fees, ongoing revenue from its co-investment and recurring management fees.

The Indicative Offer is fully funded. The Indicative Offer does not require TOT or TGP to raise any equity to complete the transaction.

The Indicative Offer remains incomplete, and incapable of acceptance and remains subject to due diligence, board, and other approvals.



Strong Balance Sheet and Capital Management Initiatives

The Group has a strong balance sheet with approximately \$95 million in cash (\$0.43 per security) post settlement of the FibreconX transaction and has an unaudited NAV of over \$1.00 per security, with less than \$10 million in unlisted assets, no borrowings and the balance of the Group's assets in ASX listed securities.

Employee Buyback of Securities

In September 2021, the Group bought back and cancelled 11.05 million securities, previously issued as part of the employee share scheme, and the corresponding staff loans were repaid. The impact of this, reduces the number of TGP ordinary securities on issue to 218,997,551 securities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Pitt'.

Tony Pitt
Managing Director
360 Capital Group